

**BOARD OF FINANCE**

29 West Avenue

Essex, CT 06426

Thursday, February 19, 2015 – 7:00 p.m.

Conference Room A – Town Hall

**MINUTES**

In attendance: Keith Crehan, Chairman, Campbell Hudson, Vice Chairman, Jeffrey Woods, Fred Vollono, and Mary-Louise Polo. Absent: Don Messite

Others in attendance: Norman Needleman, Selectman  
James Francis, Treasurer  
Kelly Sterner, Finance Director  
Yvonne Roziak, Recording Secretary

Meeting called to order at 7:08 p.m. by Keith Crehan, Chairman

**APPROVAL OF AGENDA:**

***Motion made by Jeffrey Woods to approve the agenda, seconded by Mary-Louise Polo. Passed unanimously. Motion carried.***

**APPROVAL OF MINUTES:**

Keith Crehan noted a change to the minutes under the Financial Report replacing the word “ending” with “ended”.

***Motion made by Campbell Hudson to approve the minutes of January 15, 2015 as amended, seconded by Jeffrey Woods. Passed unanimously. Motion carried.***

**FINANCIAL REPORT:**

Kelly Sterner, Finance Director provided the following financial report for the fiscal year through the month ended January, 2015.

**REVENUES**

Tax collections totaled more than \$6.1 million for the month of January. This brings the current property tax collection rate YTD as of the end of January to 92.68% versus 91.37% at the same point in fiscal year 2013-2014. The grace period for the 2<sup>nd</sup> half payment of real estate taxes extends into early February so we will see one more month of noteworthy collections before we go into our seasonal slow-down for tax payments. Additionally, the collection of prior year tax receivables as well as interest and lien fees continue to exceed collection rates for the same seven months of last fiscal year. State payments totaling \$205,558 came in during the month consisting primarily of the second payment of

the state education grant and the Town Aid Road grant. Our final ECS payment will be reduced by \$11K due to an adjustment based on final review/audit of prior fiscal year's excess cost sharing expenditures/payments. Building permits of \$20k, Conveyance tax of \$15.6k and Town Clerk fees of \$12K for the month pushed local revenue to 77.88% of budget versus 69.27% at January month end the prior fiscal year. Total revenues collected totaled 90.94% of budget versus 88.75% the prior year.

**EXPENDITURES**

Expenditures for the fiscal YTD as of the end of January totaled \$14,092,797 or 61.12% of budget. While this compares well with the 65.67% total expenditures at January 31, 2014, next month will start to reflect the recent costs associated with snow removal. The Highway Department budget is now on our watch list. The Plowing & Sanding and the Salt budget lines as well as contracted payroll have taken some heavy hits lately. Likewise we are keeping an eye on the legal budget. Tax appeal legal fees have totaled \$26.7K for the year to date. Two tax appeals remain pending for this fiscal year so we are not quite finished with this budget line yet. Other expenditure budgets appear to be trending as usual.

***Motion made by Jeffrey Woods to accept the Financial Report, seconded by Fred Vollono. Passed unanimously. Motion carried.***

**SELECTMEN'S REPORT:**

Norman Needleman reported to the Board of Finance that the Town will need to purchase a new street sweeper because the current Town sweeper was involved in an accident with another vehicle. and tThe frame was bent and the piece of equipment is deemed totaled by the Town insurance carrier. The Town insurance will give the Town \$21,231. Mr. Needleman stated there are a couple of options to obtain a new sweeper. The Town could do either a 10 year lease at \$18,700 per year or a 7 year lease at \$25,000 per year. The other option is that the Town could purchase a new piece of equipment (see breakout costs below) which would require requesting an appropriation of funds from the unassigned fund balance. Mr. Needleman stated that an unexpected emergency such as this is one of the primary purposes of the unassigned fund. Mr. Needleman would also like to earmark the insurance funds to be used towards the payment of the new machine. This will need to go to a Special Town Meeting. The breakout costs for the new purchase would be as follows:

|  |                  |
|--|------------------|
| New ELGIN "Pelican" Three Wheel High Dump Mechanical Sweeper | \$182,846        |
| Less Insurance Payment                                       | <u>\$ 21,131</u> |
| Funds needed to purchase sweeper                             | \$161,615        |

The Board of Finance discussed the possible options and agreed the purchase of the new sweeper using an appropriation from the unassigned fund balalnce would be the most viable option.

***Motion made by Mary-Louise Polo to approve and recommend to Town Meeting an appropriation from the unassigned fund balance in an amount not to exceed \$161,615 for the purchase of a new***

***ELGIN "Pelican" Three Wheel High Dump Mechanical Street Sweeper. Seconded by Fred Vollono. Passed unanimously. Motion carried.***

***Motion made by Mary-Louise Polo to approve and recommend to Town Meeting that the insurance proceeds in the amount of \$21,231 be added to the Truck and Equipment Sinking Fund with the intention to use said funds for partial payment of the new mechanical street sweeper. Seconded by Jeffrey Woods. Passed unanimously. Motion carried.***

***Motion made by Campbell Hudson to approve and recommend to Town Meeting the sum of \$21,231 be taken appropriated from the Truck and Equipment Sinking fund for partial payment of the new mechanical street sweeper. Seconded by Fred Vollono. Passed unanimously. Motion carried.***

**OLD BUSINESS: None**

**NEW BUSINESS:**

Kelly Sterner, Finance Director discussed the need to reschedule the 2015-2016 Budget Public Hearing previously scheduled to be held on April 16, 2015 due to a scheduling conflict. Therefore, the Board of Finance agreed to reschedule the Budget Public Hearing to April 23, 2015 at 7:30 p.m. in the Town Hall Auditorium. A Board of Finance meeting will also held immediately following that Public Hearing. On April 30, 2015, an additional regular Board of Finance meeting will be held at 7:00 p.m. in the Town Hall in Conference Room A.

***Motion made by Campbell Hudson to change the proposed Budget Public hearing from April 16<sup>th</sup> to April 23, 2015 followed by a Board of Finance Meeting. On April 30<sup>th</sup> a regular Board of Finance Meeting will also be scheduled. Seconded by Mary-Louise Polo. Passed unanimously. Motion carried.***

**COMMUNICATIONS AND CORRESPONDENCE: None**

**PUBLIC COMMENT: None**

**ADJOURNMENT:**

***Motion made by Jeffrey Woods to adjourn at 8:35 p.m., seconded by Mary-Louise Polo. Passed unanimously. Motion carried.***

***Respectfully submitted,***

***Yvonne M. Roziak  
Recording Secretary***